

Schools Forum Agenda

Thursday, 30 June 2016

4.30 pm , Sydenham School, Dartmouth Road, SE26 4RD
London SE26 4RD

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Item	Pages
1. Apologies and Acceptance of Apologies	
2. Declaration of Interests	
3. Minutes of the Meeting 17 March 2016	1 - 6
4. Matters Arising	
5. Dedicated Schools Grant - 2015/16 End of Year Financial Position	7 - 11
This report looks at schools carry forwards and the end of year position on the DSG.	
6. School Budgets 2016/17 and beyond	12 - 21
This report looks at schools budget for next year and the two following years.	
7. Spending Review of Selected DSG budgets – CERA	22 - 24
The forum agreed to review a number of budget areas prior to the meeting to set next year's budget to ensure that the spending areas still provided Value for Money.	
8. Deferred Admissions Funding	25 - 28
The Forum agreed in October that schools be funded for the school year from the Contingency for the small number of pupils who miss the October Census and the January Census by reason of having deferred admission until later in the school year. At the time the Forum asked officers to review the position in a year's time.	

9. Any Other Business

Dates of Future Meetings

06 October 2016	4.30 to 6.30pm
08 December 2016	4.30 to 6.30pm
09 February 2017	4.30 to 6.30pm
16 March 2017	4.30 to 6.30pm

Sub Group Meetings

High Needs Sub Group	Fund Task Group	
22 September 2016	21 September 2016	Provisional*
04 November 2016	03 November 2016	Provisional*
24 November 2016	22 November 2016	Provisional*
02 March 2017	25 January 2017	Provisional*

* These meeting dates will depend on whether the second national funding consultation document has been received.

Agenda Item 3

LEWISHAM SCHOOLS FORUM

Minutes of the meeting held on Thursday 17th March 2016

Membership (Quorum = 40% i.e. 8) ✓ = present ✕ = absent a = apologies

		Attendance				
		01/10	10/12	19/01	04/02	17/03
Primary School Headteachers						
Liz Booth	Dalmain	✓	✓	✓	✓	✓
Paul Moriarty	Good Shepherd	a	✓	✓	✓	✓
Michael Roach	John Ball	a	✓	a	✓	✓
Sharon Lynch	St William of York	✓	✓	✓	✓	✓
Keith Barr	Kender	✓	✓	✓	✓	✓
Nursery School Headteacher						
Nikki Oldhams	Chelwood	✓	✓	✓	a	a
Secondary School Headteachers						
Jan Shapiro	Addey & Stanhope		✕	✓	✓	a
Bob Ellis	Conisborough College	✓	✓	✓	a	a
David Sheppard	Leathersellers Federation	✓	✓	✓	✕	✓
VACANT	SECONDARY					
Special School Headteacher						
Lynne Haines (Chair)	Greenvale	✓	✓	✓	✓	✓
Pupil Referral Unit Headteacher						
Liz Jones	Abbey Manor	✓	✓	✓	a	✓
Primary School Governors						
Rosamund Clarke	Perrymount		✓	a	✓	✓
Dame Erica Pienaar (Vice-Chair)	John Ball	✓	a	a	✓	✓
VACANT	PRIMARY					
Secondary & Special School Governors						
Pat Barber	Bonus Pastor	✓	✓	✓	✓	✓
Jim Pollard	Addey & Stanhope	✓	✓	✓	✕	✓
Ruth Elliot	Watergate			✓	✓	✓
Academies						
Declan Jones	Haberdashers' Aske's	✓	✓	✓	✓	✓
14-19 Consortium Rep						
VACANT	14-19 Consortium					
Early Years Rep						

Cathryn Kinsey	Clyde Nursery	✓	a	✓	✓	✓
Diocesan Authorities						
Rev Richard Peers	Southwark Diocesan Board of Education	a	x	a	a	a
Stephen Bryan	Education Commission	a	x	x	x	x

Also Present	
Dave Richards	CYP Group Finance Manager
Sara Williams	Executive Director for CYP
Selwyn Thompson	Head of Financial Services
Kate Bond	Head of Standards & Achievement
Warwick Tomsett	Head of Commissioning Strategy & Performance
Hayden Judd	Schools Principal Accountant

1. Apologies and Acceptance of Apologies

Apologies received from Bob Ellis, Nikki Oldhams, Jan Shapiro and Father Richard Peers. Apologies accepted.

There were no substitutes.

2. Minutes of the Meeting held 4th February 2016

Minutes were agreed.

3. Matters Arising

- Alternative Provision report is on agenda
- Gordon Gillespie, LeSoCo has been appointed as 14-19 Consortium representative.
- A new PVI representative is to be sought

4. Banding Review

Agreement being sought on moving forward with the banding model as detailed in reports. The new banding model will be more equitable and transparent.

Work on the banding model has already been undertaken with special schools, schools with units/bases/places and mainstream schools.

If agreed tonight the project will move onto costing the banding model. The intention is that the move to the new banding model will be cost neutral.

Decision:

- To implement a new banding system (added by meeting)
- That the costing of the banding model takes place by December 2016, and the consultation on the model is delegated to the High Needs Sub-Group as part of this process.
- That the partial implementation in September 2016 be incorporated into the main implementation in April 2017.

5. Alternative Provision Review

The proposals represent the implementation of savings agreed at the December Forum and deal with

- the historic accretion of funding for specific projects
- bringing the funding method in line with DfE reforms
- higher funding rates than can be found in comparable provision.

It was noted that the savings were being brought to the Forum prior to the full Alternative Provision Review report. The scale of the review and the amount of work with schools mean that it is not yet complete. However, the DSG Hi Needs block pressure requires early action and the decision on savings cannot wait. Reassurance was given regarding the importance placed on AP by the LA, the continued need for places and the creation of a commissioning pot from a proportion of the savings is intended to enhance the provision.

Decision:

- Saving – Abbey Manor College – Support For SEN Learners - £244k in 2016/17 and £177k in 2017/18
- Saving – Abbey Manor College – Intervention Funding - £158k in 2016/17
- Saving – New Woodlands – Equalisation Of Funding Bands - £170k in 2016/17 and £120k in 2017/18
- Saving – Abbey Manor College – Medical Programme - £70k in 2017/18
- Saving – Abbey Manor College – Social Worker - £45k in 2017/18
- Saving – New Woodlands – Social Worker - £45k in 2017/18
- Saving – Abbey Manor College – Teenage Pregnancy - £97k in 2017/18
- Of the above savings of £1,126k, £625k to be applied to the DSG Hi Needs Block pressure and £501k to be used for a central commissioning fund.



6. School Funding Reform

The contents of the DfE's Schools Block and High Needs Block consultations were presented to the Forum.

The addition of a secondary head to the task group was discussed.

Decision:

- The report was noted.
- Forum delegates the task of responding to the consultation to the task group.

7. Financial Update & Budget Monitoring Report

The future transparency in funding agreements welcomed.

The impact of NNDR re-valuation and DfE funding reforms on NNDR funding were discussed.

Decision:

- £79k Contingency Fund bid from Holbeach/Edmund Waller agreed.
- Use of Contingency Fund to cover £313k NNDR bill (including backdating) for Beecroft Primary School.

8. Annual Review of the Scheme Of Delegation and Finance Manual

The debtor's policy was outlined and discussed.

The advantages to schools as a whole of a loan scheme were outlined and the continuation of existing licenced deficit agreements was confirmed.

Decision:

- The Forum confirmed the debtor's policy.
- The Forum asks officers to remind schools of the debtor's policy.
- The Forum agrees to incorporate into the Scheme of Delegation the facility for schools to have a loan from the schools carry forwards to finance a budget deficit.

- To adopt the new Council's updated Whistleblowing policy in the Scheme of Delegation

9. Proposed Dates For Future Meetings And The Work Plan For The Coming Year

With the DfE's plans to introduce an entitlement of 30 hours of early education and the consequent DfE review of early years funding, it was suggested that an Early Years Sub-Group be established.

Paul Moriarty, Keith Barr, Michael Roach, Cathryn Kinsey and Nikki Oldhams all volunteered for the group.

Decision:

- The Forum agreed the establishment of an Early Years Sub-Group (added by meeting)

10. Education Commission

No one from the Commission was available, so the item was deferred.

11. Any Other Business

No other business was raised.

Meeting closed

Date of next meeting:-

30 June 4.30 to 6.30pm

SCHOOLS FORUM ACTION SUMMARY

ITEM	ACTION TO BE TAKEN	OFFICER (S) RESPONSIBLE	OUTCOME/ CURRENT POSITION
Minutes of 19 March 2015	Follow up action re. Rushey Green backdated NNDR bill	Hayden Judd	On-going
Forum Membership March 2016	Hold Elections For PVI Representative	Warwick Tomsett	Pending

Sub Group Membership March 2016	Add Secondary Head to Formula Consultation Task Group	Warwick Tomsett	Pending
CATERING	Remind Schools Of Debtors Policy	Dave Richards	Actioned
Forum Membership March 2016	Establish Year Years Task Group	Warwick Tomsett / Dave Richards	Pending

Schools Forum			
REPORT TITLE	DSG End of Year Financial Position		
KEY DECISION	Yes	Item No.	5
CLASS	Part 1	Date	30 June 2016

1. Purpose of the Report

This report considers the schools' carry forward position at the end of the financial year and the final position on the Dedicated School Grant at the end of the financial year.

2. Recommendation

The Forum

- i) Note the balances held by schools.
- ii) Note the position on the DSG
- iii) Support the promotion of the Peer Review system
- iv) Roll forward the mutual fund balances into 2016/17

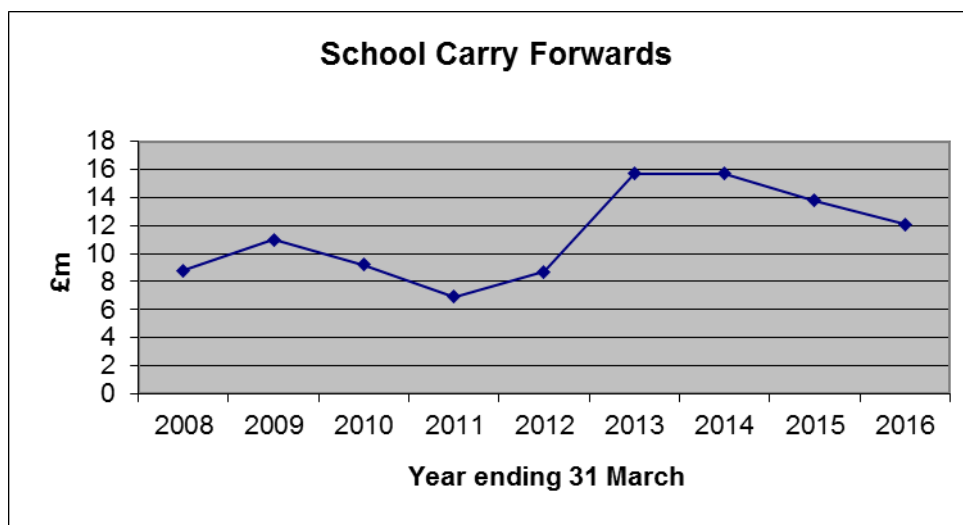
3. Dedicated Schools Grant Outturn

- 3.1 The most significant overspend at the year-end was on high needs pupils, which totalled £2.3m. There was a further pressure of £0.2m on early years. The high needs overspend was caused by more placements being made to providers outside of Lewisham. These placements were not in the independent sector, but in further education colleges, other local authorities, maintained schools and academies. The fund set aside from previous year's carry forward was £2.5m and this allowed the DSG to balance at the end of 2015/16.
- 3.2 This does end the position of the last few years whereby the carry forward has provided a safety net to any overspends in the Dedicated Schools Grant. The action the Schools Forum took when setting the 2016/17 budget re-aligned the spending to the resources available. This will mean though that careful monitoring of the expenditure will be required during the year and swift management action taken to address any emerging pressures.

4. Schools' Carry Forwards

- 4.1 Appendix A (tabled) contains a list of school carry forwards at the end of the 2015/16 financial year (31 March 2016). The total year end balances in schools was £12.4m (£12.1m without external funds). The

balance at the end of the previous year stood at £13.9m (31 March 2015), a fall of £1.8m.



- 4.2 The reporting of school carry forwards is subject to accounting regulations and the requirements specified under the national consistent financial report. For example internal payments on PFI schemes, advance payments of future years' federation funding and balances held on behalf of other schools. When surveyed in the past these adjustments have totalled £2m. As the Schools Forum agreed not to operate a Balance Control Mechanism this year no data was collected. The individual school balances have to be considered with this in mind.
- 4.3 There were two secondary schools with licenced deficit budgets at the year end. These were Sedgehill and Deptford Green schools. There was one primary school with a licensed deficit, being All Saints. At the end of the financial year there are a further nine schools which have deficit balances and will need to apply for a licensed deficit. Whilst overall school balances stand at £12.4m, this should not detract from the fact that secondary schools have a cumulative deficit of £1.6m, with seven of the 11 secondary schools ending the year in deficit.
- 4.4 The average percentage balance for Primary schools is a 7% surplus, Secondary Schools is a 2% deficit and for Special Schools it is a 17% surplus. For schools overall the percentage carry forward is a 5% surplus.

	School Budget 2015/16	Carry Forward 2014/15	Carry Forward 2015/16	Change	% of school budget
	£'000	£'000	£'000	£'000	
Primary	-142,544	-10,198	-10,542	-344	-7%
Secondary	-78,098	-831	1,712	2,543	2%
Special	-17,680	-2,794	-3,051	-257	-17%

PRU	-3,247	-178	53	231	2%
Nursery	-1,724	-26	-313	-287	-18%
Total	-243,294	-14,026	-12,142	1,884	-5%

Figures Exclude External Fund Balances

For the first time we are seeing a number of schools in deficit. With the imminent funding reforms that will reduce the funding, schools will need to carefully consider their budget plans.

- 4.5 A workshop was run on the 21 June 2016 to take those schools who are likely to be in deficit through the process and to provide advice and guidance on managing the human resources implications

With less and less resource there is limited capacity at the centre to provide close scrutiny and the range support that maybe required. There are other approaches that need to be considered.

- Efficiency benchmarking club - this has started but has had little impact to date – and will be re-invigorated.
- Strategic Finance Consultancy service. This may be helpful in providing an independent view, but there would appear to be insufficient resource to provide a service from the Local Authority that could be valued by schools and but would need to be bought into by schools. Initial discussions have taken place with possible consultants.

Previously the Schools Forum have agreed a Peer review system with finance professionals across the sectors, drawn from maintained schools, academies and local authority staff. This would bring in an extended range of skills that could combine together to provide a more comprehensive package for schools. This has stumbled a little due to the lack of volunteers but with the current financial position it maybe that more people are willing to support the process.

- 4.6 How the peer review system was proposed work

Such a review would entail bringing together a team of finance experts and related disciplines. The structure of the team may consist of a Head teacher, governor, school business manager as well as a finance professional. They would be tasked with reviewing a school by holding discussions with senior staff in the school and governors and providing a report. The aim of the process would be to identify and share good practice in financial management. This would include:

- Governor processes to exercise challenge;
- The use of benchmarking data to drive change;
- the use of unit costs in assessing value for money;
- The approaches to delivering support services e.g. sharing or collaborative arrangements that promote Value for Money.

A secondary school review may need different personnel to that for a primary review.

The whole process would need volunteers to be involved and in the initial period, it would also require a school willing to be subject to the review. Follow this an assessment would be made of whether this programme could have a wider remit.

The Schools Forum are asked to support the promotion of the peer review system and members invited to volunteer

- 4.7 A table showing the forecast end of year balances for 2016/17 will be tabled at the meeting

5. Mutual Funds

- 5.1 The Schools Forum has a number of mutual funds that it manages on behalf of schools. At the end of the year, any balances are returned to schools or rolled forward to the next year. The end of year position is described below.

5.2

	Growth Fund	Contingency	Non-Sickness Supply
	£	£	£
Brought Forward	177,687	-1,510,098	-208,725
Distributed To Schools			208,725
Offset	(177,687)	177,687	
	0	-1,332,411	0
De-Delegation Income			-800,000
Budget	-1,792,000		
Spend To Date	1,572,417	605,862	975,850
Projected Spend			
	-219,583	605,862	175,850
Cumulative Total	-219,583	-726,549	175,850

- 5.3 It is proposed that the Growth Fund and Non-Sickness Supply 2015/16 balances are rolled forward and combined with the 2016/17 funds. Examination of the table above shows that if the offset and distribution

of 2014/15 balances had not been actioned, the 2015/16 year end balances would have been much smaller.

- 5.4 Sedgehill School will transfer to an academy by order at a date still to be confirmed. The national regulations mean that any deficit remains when this type of conversion takes place and can be charged to the schools contingency if there are sufficient funds. It is therefore proposed that the 2015/16 balances are rolled forward and combined with the 2016/17 funds.

6 Conclusion

Schools face challenging financial circumstances. The carry forwards would indicate that this is more acute in the Secondary sector than the primary sector. The decline in Secondary balances is worrying and highlights the importance of budget planning and tight budget monitoring.

Dave Richards

Group Finance Manager – Children and Young People

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Dave.Richards@Lewisham.gov.uk

Agenda Item 6

Schools Forum			
REPORT TITLE	School Budgets 2016/17 And Beyond		
KEY DECISION	Yes	Item No.	6
CLASS	Part 1	Date	30 June 2016

1. Purpose of the Report

This report considers the schools budget returns for the next three years and the support from the Local Authority that is being offered to schools now and how this offer will look in the future.

2. Recommendation

The Forum

- i) Note the position on schools budgets.
- ii) Note the current steps in place to support and challenge schools.
- iii) Agree that the school budget return date should be brought forward from 31 May to 1 May each year.
- iv) Agree to support the notion that those schools whose budget plan shows a deficit in 2017/18 submit a deficit recovery plan to the Local Authority in the Autumn Term.
- v) Support the promotion of the Peer Review system.

3. Submission of Budget Plans

- 3.1 The deadline for schools to submit budget returns to the Local Authority is 31 May.
- 3.2 In the paper under item 4 of this agenda it was seen that there were 11 schools had deficits at the year-end (31 March 2016). This compares with the three schools that had a license deficit agreement in place for the year end.
- 3.3 Not all schools have submitted budget returns for this year, of those that have, there are three schools showing a deficit. It is believed that this will at least grow to 8 but could be higher.
- 3.4 There are 20 schools that have not sent in their budget return. All these schools have been written to by the Head of Education, Standards and

Inclusion. If a return is not received by the 4 July a letter will be sent to the Chair of Governors and the Headteacher by the Executive Director of Children and Young People.

- 3.5 Looking further ahead the returns received show another 7 schools going into deficit in 2017/18.
- 3.6 Currently officers are performing reasonableness checks on the information provided by schools. Such checks include
- Does the budget plan income agree to funding notification?
 - Is the carry forward quoted in the budget plan correct?
 - How do the budgets set compare to previous year's budget and expenditure.

This is likely to mean the above numbers of schools in deficit may change.

- 3.7 A table showing the forecast end of year balances for 2016/17 will be tabled at the meeting

4 Current support to schools

- 4.1 A workshop was run on the 21 June 2016 to take those schools who are likely to be in deficit through the process of applying for a licensed deficit approval and to provide advice and guidance on managing the human resources implications of the recovery plan. The licensed deficit application form is provided in Appendix A of this report.

- 4.2 For those schools in deficit in 2016/17 a meeting with the school has been arranged. This meeting is wherever possible with the Headteacher and Chair of Governors/ Chair of Finance Committee. The Local Authority representatives will cross the professional disciplines of School Improvement, Human Resources and Finance.

The purpose of this meeting will be to both support and challenge the school in its budget planning and the reorganisation of the delivery of the curriculum under the budget recovery plan.

- 4.3 The challenges posed will look backwards to see what lessons can be learned and then forwards to set the direction of travel for the school. The area of challenge will cover

4.3.1 Looking back (to see management action needed to avoid a deficit recurring)

- How has the deficit arisen?

- How early were school leaders including governors alerted to the situation?
- Role of the governors and the financial committee in the monitoring of the budget (one of their statutory duties)
- Why was management action not taken earlier?
- What management action /controls are in place to prevent this recurring?
- Costing of the School Development Plan – how was this monitored?

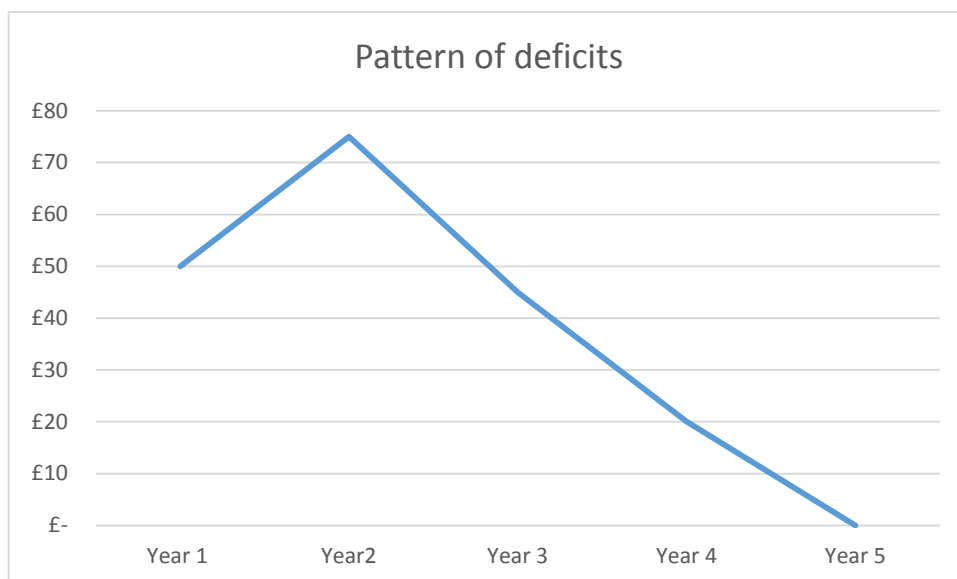
4.3.2 Looking forward (planning for the future)

- Impact on the curriculum delivery/impact on students
- Assumptions the budget plan is built on
- Action plan of savings and delivery dates
- How will the implementation of savings be monitored
- Rationale for deficit period
- Budget Sensitivity analysis together with issues and risks – alternative plans
- Benchmarking data -
 - Costs
 - Class sizes
 - Pupil data ratios
 - Contact time
 - Compare with similar schools nationally
- Curriculum delivery models

5 Current budget planning system

- 5.1 The deficits and recovery plans in Lewisham have had a distinct pattern over the past few years. The deficit is identified and a budget recovery plan is put in place but in the first year of the recovery plan the deficit rises further before it falls and the school eventually comes back into balance, usually within three years.

This can be shown graphically



In the above graph the deficit has emerged in year 1

- 5.2 The fact that a deficit rises in the second year is often a product of management action that is taken too late. This is often as a consequence of the deficit not being identified earlier enough.
- 5.3 If under the recovery plan staff reductions are necessary the appropriate Human Resources procedures need to be undertaken, these include proper consultation and appeals procedures with all parties, and if necessary notice periods.
- 5.4 The date when budget returns are required to be made by schools are stipulated in Lewisham scheme of delegation as the 31 May during the financial year of the budget being set. This date is also governed by national regulations and cannot be before the 1 May.
- 5.5 The deadline of the 31 May does not allow sufficient time for the appropriate Human Resource procedures to take place to allow for reductions in teaching staff before the start of the next academic year in the following September. Consequently the school bears extra costs, often to the following September as it is not easy or desirable to reorganise the curriculum during the academic year. Early planning is essential to avoid this.
- 5.6 With this in mind it is proposed to
- Bring the budget return date forward to 1 May in the future
 - To ask those schools whose budget is showing a deficit emerging in 2017/18 to ensure that a balanced budget is agreed by governors in the autumn term.

6 Future Support

With less and less resource there is limited capacity at the centre to provide close scrutiny and the range support that maybe required. There are other approaches that need to be considered.

- 6.1 Efficiency benchmarking club - this has started but has had little impact to date – and will be re-invigorated.
- 6.2 Strategic Finance Consultancy service this may be helpful in providing an independent view, but there would appear to be insufficient resource to provide a service from the Local Authority that could be valued by schools and but would need to be bought in by schools. Initial discussions have taken place with possible consultants.
- 6.3 Previously the Schools Forum have agreed a Peer review system with finance professionals across the sectors, drawn from maintained schools, academies and local authority staff. This would bring in an extended range of skills that could combine together to provide a more comprehensive package for schools. This has stumbled a little due to the lack of volunteers but with the current financial position it maybe that more people are willing to support the process.

7 How the peer review system was proposed work

Such a review would entail bringing together a team of finance experts and related disciplines. The structure of the team may consist of a headteacher, governor, school business manager as well as a finance professional. They would be tasked with reviewing a school by holding discussions with senior staff and governors and providing a report. The aim of the process would be to identify and share good practice in financial management. This would include:

- Governor processes to exercise challenge;
- The use of benchmarking data to drive change;
- the use of unit costs in assessing value for money;
- The approaches to delivering support services e.g. sharing or collaborative arrangements that promote Value for Money.

A secondary school review may need different personnel to that for a primary review.

The whole process would need volunteers to be involved and in the initial period, it would also require a school willing to be subject to the review. Follow this an assessment would be made of whether this programme could have a wider remit.

The Schools Forum are asked to support the promotion of the peer review system and members invited to volunteer

8 Conclusion

Schools face challenging financial circumstances. Essential to managing this is early identification of the problem and suitable management action. The proposals in the paper will aid that and the support and challenge will assist schools in ensure they have proper financial management in place.

Dave Richards

Group Finance Manager – Children and Young People

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Dave.Richards@Lewisham.gov.uk

Schools Forum

Thursday 30 June 2016

Item 6, Appendix A - Licensed Deficit Application 2016/17

Licensed Deficit Application Form
Part 1 - Application Summary

Schools are not permitted to set deficit budget without a license to do so from their Local Authority. This form is an application for this permission. The application is comprised of four parts-

Part 1 - A summary of the amount applied for and the length of the anticipated deficit.

Part 2 - A summary of the actions to be taken to return the school to a balanced budget position.

Part 3 - A narrative detailing the actions that are being taken to return the school to a balanced budget position including assumptions made, risks to the plan and how the balanced budget will be made sustainable.

Part 4 - A budget plan confirming the school's return to a balanced budget.

School Name

Brought Forward Revenue Balance
(excluding external funds)

Amount Of Licensed Deficit Request
(cannot be more than 10% of ISB)

Number Of Years Of Deficit
(not normally more than 3)

Signatures -

Headteacher Date

Chair Date

Please complete the above and return all four parts of the application to the Schools Finance Team

LA Authorisation

Signature Date

Position

Schools Forum

Thursday 30 June 2016

Item 6, Appendix A - Licensed Deficit Application 2016/17

Licensed Deficit Application Form

Part 2 - Action Plan Summary

Please provide a summary of the actions that will be taken to return the school to a balanced budget position.

More detail on these actions will be required in Part 3

Item No.	Action	Amount	CFR Heading Affected	Year Implemented
Example	Reduction In Learning Resources Budget	5,000	E19	2014/15
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Please complete the above and return all four parts of the application to the Schools Finance Team

Schools Forum

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Item 6, Appendix A - Licensed Deficit Application 2016/17

Licensed Deficit Application Form
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Part 3 - Action Plan Narrative.
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There is no required format for Part 3; it is anticipated that most schools will choose to submit a Word document.

Please provide us with details of the actions that will be taken to return the school to a balanced budget position.

We are keen to see -

- how the savings and/or additional income will be achieved,
- how the impact on curriculum delivery will be minimised,
- the risks to the success of the plan and how these will be handled,
- the assumptions that the plan is based on and
- how the reduced expenditure and/or increased income will be sustained in the long term.

Once complete, please return all four parts of the application to the Schools Finance Team

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Thursday 30 June 2016
Item 6, Appendix A - Licensed Deficit Application 2016/17

Licensed Deficit Application Form
Part 4 - Budget Plan

Schools can use the template below for their Part 4 submission or they can use their usual budget plan format (suitably annotated).

Financial Year	20 /	20 /	20 /	20 /	Action Plan Item(s)
Teaching Staff (E01 to E02)					
Non-Teaching Staff (E03 to E07)					
Other Staff Costs (E08 to E11)					
Premises Costs (E12 to E18)					
Learning Resources (E19 to E20)					
Agency Supply (E26)					
Other (E21 to E25 and E27 to E29)					
Transfer To Capital (E30)					
Comm Focussed Ext Sch (E31 & E32)					
Total Net Expenditure	-	-	-	-	
Funding (I01 to I05)					
Other Income (I06 to I18)					
Total Funding	-	-	-	-	
In Year Budget balance	-	-	-	-	
Balances B/F		-	-	-	
Balance C/F	-	-	-	-	

Assumptions made-

Notes-

The purpose of the above is to show how the action that the school has identified as necessary to reduce the deficit will impact on the school's end of year balance. This will therefore demonstrate that the school is able to repay the licensed deficit.

Schools should aim to eradicate their deficit in the shortest practicable period. The maximum permissible period is normally 3 years.

Please identify the items from your Action Plan in the end column.

In order to be consistent with normal budget setting practice, expenditure and income should refer to all revenue sources, including external funds **but should exclude capital**.

Signed - Headteacher

Date

Signed - Chair of Governors

Date

Agenda Item 7

Schools Forum			
REPORT TITLE	Spending review of selected DSG budgets - Capital Expenditure from Revenue (CERA)		
KEY DECISION	Yes	Item No.	7
CLASS	Part 1	Date	30 June 2016

1. Purpose of the Report

As part of the budget setting process it was agreed that it was not possible to review all the budgets in the Dedicated School Grant in one meeting when the total Dedicated School Grant budget is set as it did not allow sufficient time to give proper consideration to the issues. Officers were asked to bring a rolling programme of reviews. This report reviews the Capital Expenditure from Revenue (CERA) budget.

2. Recommendation

The Forum note the report

3. Planned programme

- 3.1 The High Needs sub group looked at all the budgets within the high needs block last year and it is not intended to review these budgets again this year.

This will leave the CERA budget to considered at this meeting and the expenditure out of the Early Years block to be reviewed at the meeting on 6 October 2016.

4. Capital Expenditure from Revenue (CERA) budget.

The budget is made up of three elements

Ref	Heading	£m
1	PFI scheme and BSF Contribution. This provides funding to cover the funding gap between the cost of the schemes and the grants received from central government and the contributions by schools.	2.4
2	Minor capital works This funding is used to support additional capital works for schools.	1.2
3	Support for Schools' Capital Projects	0.3

	Management support to schools undergoing major capital projects	
Total		3.9

The Schools Forum agreed the Support for Schools Capital Projects funding on 10 December 2015. The budget was set a £325k for 2016/17 this was a £100k lower than 2015/16 budget of £410k.

The rest of the budget also agreed on 10 December 2015.

4. National Regulations

- 4.1 The national regulations stipulate “Expenditure commonly known as CERA (capital expenditure which an authority expects to charge to a revenue account of the authority within the meaning of section 22 of the Local Government Act 2003) and where the expenditure relating to the specific project had been approved prior to 1st April 2013. It does not count as a commitment to have identified a budget for different capital works each year”.
- 4.2 The DFE preferred approach is that the contribution to the PFI and BSF Schemes should be built into the ISB allocation for each school with a relevant scheme. The funding then has to be reclaimed from the school. In the past Lewisham has not done this as there is an administration burden. With more schools become academies this is not a sustainable position. In preparation for the national schools funding formula the DFE asked Local Authorities to complete a return on the use. This reiterated all PFI / BSF should be in schools budgets and from April 2017 it is proposed this will be case.

The rest of funding should not be held centrally but delegated to schools. The asset management programme (£1.5m funding for small capital works) and contribution towards the management of schools who are undergoing major capital works should not be funded as they relate to new capital schemes and not to work prior to April 2013.

5 Conclusion

In relation to the asset management programme there are two possible outcomes; either schools will be asked for more contributions towards schemes or fewer schemes will need to be undertaken.

In relation to the management support, there will be no support provided from 2017/18 onwards.

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LEWISHAM SCHOOLS FORUM			
REPORT TITLE	Deferred Admissions		
DECISION	Yes	Item No.	8
CLASS	Part 1	Date	30 June 2016

1. Purpose of the report

The Forum agreed in October 2015 that the Contingency be used to fund schools for the small number of pupils who miss the October Census and the January Census by reason of having deferred admission. At the time the Forum wished to review the decision after a year and this report looks at the position over the last year and re-considers the original decision.

2. Recommendation

That the Forum agree to discontinue the funding support from the contingency for pupils who miss the October Census and the January Census by reason of having deferred admission until later in the school year.

3. Background

- 3.1 The School Admissions Code allows for the admission of all children in the September following their fourth birthday, but children do not reach compulsory school age until after their fifth birthday. There is currently flexibility for parents who do not feel their child is ready to start school before compulsory school age to delay the child's admission until the term they become statutory school age and for those 'summer born children' to request that their child's admission is delayed until the following academic year.

The admission of summer born children has been strongly supported by the Department for Education (DfE) with a commitment from them to incorporate the right to delay a summer born child's admission in a revision of the School Admissions Code and was featured in the recent White Paper. In effect, parents may delay the date their child is admitted to school until later in the school year following their fourth birthday, providing they do not defer beyond the point at which they reach compulsory school age, or beyond the start of the final term of that school year. Summer born children whose parent wishes for them to delay their admission must withdraw from the admissions round and reapply during the following admissions round.

- 3.2 Alternatively, a child may attend school part-time during the reception year until they reach compulsory school age. This leads to the consequence for the school that a place is 'held' throughout the whole year but yet the pupil misses the October Census and appears during the year. The right to request a delayed entry – that is entry a full academic year late and out of cohort does not lead to the same financial consequence for schools and so is not an issue for Schools Forum in the same way.
- 3.3 While the local authority has every confidence that primary schools cater well for summer born pupils through differentiated teaching and strategies to support transition from EYFS to KS1, there is a strong national lobby (supported by the government) concerned that children should not attend school until they are 'ready'. This is also promoted by some early year's providers.

4 Financial Impact

- 4.1 The schools budget is predominately based on the number of pupils on the October Census prior to the start of the financial year. The funding the school receives starts in the April following the census. There is no funding received by the school between the October census and the next March.
- 4.2 There is provision within our own local funding scheme that if the January census is higher than the October census then the extra pupils will be funded. This is known as the January Uplift. This is the only adjustment allowed to the October census data under the national funding regulations. There is one slight proviso, in that the funding for the January Uplift is not paid until the following year. This is a result of the January actual numbers not being available by the time the school budgets are calculated and notified to schools.
- 4.3 The above adjustment is made on total numbers and there is no differential made between leavers, late joiners and deferred admissions. The net total is taken.
- 4.4 Financially a school would only be at a disadvantage if the pupil deferred admission is after the January count. This would not be the case if the pupil remains in a nursery attached to the school. Nursery funding is counted on a termly basis.
- 4.5 There is no difference for part time children as these are always counted as one.
- 4.6 The difference between a pupil who is on the census count and for those pupils whose admission is deferred will be that a school will not receive any funding in the following year providing the deferral is after the January count. They will not receive a full year's funding for the following financial year.

4.7 The basic entitlement for a reception class pupil is £3,700, plus the relevant proportion of deprivation. This on average equates to 25% of the basic entitlement.

4.8 The funding position is shown in the table below

	Pupil on October Count 2015	Pupil on January Count 2016	Funding			Total £
			2015/16 £	2016/7 £	2017/8 £	
Normal Admission	Yes	Yes	0	3,700	3,700	7,400
Deferred Admission but pupils joins school before January 2016 count	No	Yes	0	0	7,400	7,400
Deferred Admission but pupils joins school after January 2016 count	No	No	0	0	3,700	3,700

5. Previous decision

When the Forum made their decision in October 2015 it was believed that there was likely to be 10 pupils who had their admissions deferred and this would lead to a shortfall in funding for schools of £48k, if no support was offered. There was a number of options considered by the Forum at the meeting in October 2015. These were based around three options

- To provide no funding
- Provide a school with funding for a year
- Provide a loan

The Forum agreed to provide funding out of the contingency but to review the position after the year when the number deferred pupils were known and the financial consequences for individual schools assessed.

6 Position in the last year

In the past academic year there were no claims on the funding for deferred admission.

7 National Funding Formula

7.1 The Department for Education (DFE) wish to see a national funding formula for schools introduced from April 2017. The DFE have issued one consultation on a national funding formula which considered the principles behind a national formula. A second consultation is expected

on the technical aspects of the formula. This has not been received at the time of writing this report.

- 7.2 It is highly unlikely that a national funding formula will provide for deferred admissions. The contingency is controlled by the Schools Fund as a mutual fund. This fund is created through a mechanism known as de-delegation whereby the Forum agree to provide the funds for the contingency by withdrawing the funds from schools budget for all maintained schools but not academies. Under the new funding formula this will not be possible, it is likely that the Forum can operate a contingency but each individual school will freedom to choose whether they contribute to the contingency.

8 Conclusion

Given that no claims on the funding were received and that the changes proposed to the schools funding system will result in at best a contingency that covers only a proportion of schools, it is recommended to Forum that the funding support to schools with deferred admissions is discontinued.

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